Write your Congressman expressing your opposition to the New Frontier's 'medicare' proposal—the King Bill, H. R. 4222. See What YOU Can Do Section.

Human Events

THE WASHINGTON NEWSLETTER

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EDUCATION: *Kennedy vs. Goldwater* .....(129)

STATE DEPT: *Bitter differences emerge* ....(129)

SPENDING: *Kennedy's legislation analyzed* (130)

RULES: *Who's flaunting 'majority rule'?* ....(131)

NEW YORK: *Rocky and the Democrats* .....(131)

Kennedy and Education: "Take care of the sense," said the Duchess in *Alice in Wonderland,* "and the sounds will take care of themselves." The Administration—in its highly controversial proposal for Federal aid to education—relies on tantalizing sounds rather than on sound common sense—not surprisingly, in the Lewis Carroll atmosphere of New Deal spending. For the sounds emanating from the President's education message last week all have the dollar sign attached to them, even down to the request for "$15 a pupil" assistance to the states. It is quite a bill—$5.6 billion over five years—to present to the taxpayer.

Oddly enough, on the same day that the President's recommendations were sent to Congress, Senator Barry Goldwater filed a bill to tackle the education problem from a decidedly different angle. While the Administration's big-spending measure places an additional burden on the taxpayer, Goldwater offers to reduce his annual Federal income tax payment up to $100 a year, as explained below. If the taxpayer wants to spend that money for education, he can vote the local authorities the right to collect it from him.

The Goldwater proposal (see full text in Section II) got virtually no publicity, although it would seem that a yearly saving of $100 for the taxpayer rates as news.

Specifically, the Goldwater bill (S. 991) provides that every taxpayer shall be permitted to subtract from his Federal income tax payment the full amount—or $100, whichever is less—of his real property tax that is applied to school needs by his local government. (Additionally, Goldwater would permit deductions up to $2,000 a year per student sent to college by taxpayers in the lower and middle brackets.) It is estimated that the taxpayers would derive benefits totaling three or four billion dollars a year from the Goldwater bill, making more than ample funds available at the local level for genuine additional school requirements.

The Arizona Senator points out that thus the Federal government would be completely excluded from the program, thereby eliminating the danger of Federal control over education. And he adds that "there would be no costly expansion of Federal bureaucracy or a Washington 'brokerage' fee attached to the dollar spent for education needs." His measure clearly leaves to local responsibility the cost of building more schools. Kennedy implies that a goal of building 600,000 new classrooms in the next 10 years could be attained only with the help of the Federal Treasury. But under local responsibility, with no Federal aid, a rate of more than 70,000 new classrooms a year has already been obtained. Meanwhile, the taxpayers (the "Forgotten Americans," as Goldwater calls them) could gain from three to four billion dollars a year.

A dangerous "bite" out of the Federal revenue? Goldwater says his bill would "lead to a good look at the Federal budget and the discovery of many items of less importance, or even of no importance, which could readily be eliminated with no ill effects for the public welfare."

The Kennedy aid to education bill already faces a mounting chorus of objections and hurdles to passage. Not the least of those up in arms are parents of children who go to privately-supported schools. Among them are Catholics—and, nationally, the Catholic Church is ranged against the measure. What adds fuel to this flame of opposition is the specific exclusion of these schools in the text of Kennedy's recommendations.

Already, many Catholics—reportedly including the National Catholic Welfare Conference—regard the Goldwater proposal with increasing favor. It offers them a new and potentially broader stand—to relieve the taxpayer-parent of some of the burden which he must bear to educate his children in private schools, instead of trying to get on the state-controlled gravy train of measures like that of Kennedy's.

Inside State Department: It is relayed to HUMAN EVENTS that considerable turmoil and dissension prevail in the new State Department. The rank and file are split up into feuding followers of Chester Bowles, Undersecretary, and Dean Rusk, the Secretary. Neither Rusk, nor Bowles, nor their respective followers are enthusiastic about Adlai Stevenson, who seems to regard the United Nations as his special property; and who never—the word is never—consults with Rusk or Bowles about his statements or policies. For instance, Adlai did not consult with Rusk about last week's UN Security

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Council resolution authorizing the use of force by the UN in the Congo to prevent civil war. Indeed, State Department insiders express doubt that Adlai even consults with the President. Adlai is—as they say in State—a complete free-wheeler.

Stevenson recently blew off to reporters about Rusk, called him a bureaucrat. When Rusk, reportedly with mounting bile about Adlai and others, will blow off is a question; and there are those who claim he is so discontented that he may prove to be the first of the Administration team to leave it. HUMAN EVENTS reported on December 22, 1960, that Rusk, the cautious old bureaucrat, left the Rockefeller Foundation to become Secretary, significantly, on leave of absence. Our story caused no little comment among diplomats at the time.

Reasons for Rusk's unrest include annoyance at the fact that the President sometimes calls returning US Ambassadors directly to the White House before they check in with their immediate boss, the Secretary of State.

Nor was the President's recent unannounced visit to a State Department council welcome; it is not reported that the President has ever similarly bounced into the Pentagon. Finally, some remark that Rusk would appreciate it if the President occasionally consulted him.

Very recently, Rusk seemed to head up those State bureaucrats critical of the prevailing liberal line on the Congo—namely, that the various factions in the Congo should participate in a united government with the pro-Communist followers of the late Lumumba. Rusk is said to recall the fatal consequences of the Acheson policy in the Forties when, after World War II, we tried to force Chiang Kai-shek into a coalition government with Mao Tse-tung.

High Spending Administration: The new Executive in Washington has tossed out in rapid fire succession so many measures to Congress that the press and commentators have difficulty in coming to an over-all estimate of what they will cost. Last week, the President told his party congressional leaders he wants priority passage of at least 16 measures. HUMAN EVENTS staff has analyzed the spending involved in as many of these as available statistics permit, as follows:

(1) Unemployment compensation extension—almost $1 billion.

(2) Expanded social security benefits—$1 billion.

(3) Aid for distressed areas—$390 million.

(4) Aid to education—$5.6 billion over five years.

(5) Health insurance under social security—$1.5 billion.

(6) Medical facilities and training—$195 million.

The one-year total for the above comes to $5.2 billion. These are, of course, "small down payments" to establish the "principle." Bigger requests will follow.

Figures on spending costs for the other 10 measures on the President's "priority" list of "must" legislation are difficult to obtain readily or to estimate. But they obviously represent more potential spending.

Among the items, not on the "priority" list, but recommended to Congress, are: Defense spending increases, $2 billion; housing increases, $1.5 billion; urban renewal, $650 million; food stamp program, $250 million. The total of these comes to $4.4 billion—grand total of $9,600,000,000. These are conservative estimates. Secretary of the Treasury Dillon says that the budget presented by Eisenhower in January is already in red ink to the tune of several billions. Hence, so far, the Kennedy spending is mounting substantially towards the $13 to $18 billion new expenditures which Nixon charged during the campaign would be the course of Kennedy if elected.

Britain for Red China: News dispatches last week from London, based on "informed sources," say the British Government will urge that Nationalist China be unseated by the United Nations to make room for Red China. In Washington, "informed sources" mean the British Foreign Office, always adept at leaking out its attitudes to the press. This British posture is of long standing, but was checkmated by Ike, who warned that the US would leave the UN if Red China were admitted.

Now it comes out more openly, as a result of London's analysis of the make-up of the new Kennedy Administration. Since the foreign policy is now guided by such men as Bowles and Stevenson, not to mention a host of liberal advisers (such as Walt Whitman Rostow, George Kennan, Charles Bohlen), the British quite obviously consider the situation ripe for another try at changing US policy.

Such an effort, however, faces symptoms of formidable opposition in the US. Last week, the Committee of One Million (Against the Admission of Communist China to the UN) released a circular endorsed by a majority of members of both houses of Congress: 43 Senators and 285 Representatives, 165 Democrats and 174 Republicans. The circular expresses vigorous opposition to seating of Red China by the UN. In addition, last week, Capitol Hill was impressed by official Chinese National Government reports that famine in Red China has caused widespread unrest, riots and a "general anti-Communist movement."

Labor Front: The airline engineers strike, bringing air travel paralysis and wide inconvenience, with many millions of dollars of loss of business, came on the heels of the recent tug-boat strike which paralyzed the port of New York. Accumulation of these situations, say veteran observers here, may well create a wave of public revolts against labor union power similar to those following World War II. It is recalled that then Democrats and Republicans in Congress overwhelmingly passed the first great

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labor reform legislation—the Taft-Hartley Act. A repetition of those revolts today would seriously embarrass the Democratic Administration.

• *The National Labor Relations Board last week ruled that Indiana's right-to-work law prevents unions from using the Taft-Hartley Act in their drive for "agency shops" in that state. The Board sustained General Motors in its refusal to include in its contract with United Auto Workers a provision requiring non-union employees in Indiana plants to pay sums equal to initiation fees and dues. This is deemed a temporary check to the Labor Boss drive to nullify right-to-work laws throughout the nation, for the NLRB split 3 to 2 on the decision. One of the three members will retire this month and will be succeeded by Kennedy appointee Frank McCulloch, pro-labor and former secretary to Senator Paul Douglas. Thus, another ruling by the NLRB may well reverse last week's decision.*

• Representative Bruce Alger (R.-Tex.) offered a bill last week to put labor unions under the anti-trust laws and to prohibit industry-wide bargaining. The Texas conservative said the measure is not "anti-labor," but simply makes unions subject to the same rules now applying to business and industry. Observers give the Alger bill little chance, say "Chairman Adam Clayton Powell of the Labor Committee will not even give it a hearing."

• *A plasterers' union local in Los Angeles has refused to take a 12½ cent pay boost that it could have gotten from employers. The local leader said it was turned down to support Kennedy's plea to stop inflation and to stimulate construction work. So far, no big Labor Bosses anywhere have followed suit.*

Rules Fight: The House Rules Committee, by an 8-6 margin, last week quashed a proposal by Representative Thomas Pelly (R.-Wash.) to block a device beloved by the liberals, "back-door" spending. *

The vote was the first case testing the results of the packing of the House Rules Committee by the Democrats a month ago. The Committee did not publicly disclose how each individual voted, but it was generally known that Rayburn's two new appointees to the Committee—B. F. Sisk and Carl Elliott—ensured defeat of the Pelly measure.

Conservatives found the vote extremely ironic, for leading liberal Democrats had long used the argument that it was necessary to pack the Rules Committee so it could no longer prevent legislation from coming to the floor. Bringing "democracy" and "majority rule" to Congress, was, indeed, part of the standard liberal rhetoric in voicing arguments for packing.

* Here's an explanation of "back-door" spending. The Appropriations Committee has the responsibility for over-all expenditures. It views spending more skeptically than do other committees which are eager for money for their own particular fields. "Back-door" spending means that a committee includes an appropriations authorization in a bill which goes to the House floor for approval without having had the Appropriations Committee pass upon it. Congressman Pelly estimates that $9 billion annually is authorized in this irresponsible manner.

But last week all the flowery phrases proved pious bilge. One Democrat, a leader of the Democratic House Study group, as much as admitted this the day before the Pelly measure was voted on. He said he saw no reason why it shouldn't be blocked—even though Pelly had more than 120 Congressmen endorse his proposal—since after all, the purpose of packing the Rules Committee was to keep it from "killing or stalling *liberal* bills [Washington *Evening Star*, February 21]."

New York Politics: The violent struggle within the New York Democratic party has reached such intensity that Mayor Wagner and Tammany leader-National Committeeman Carmine De Sapio are no longer on speaking terms. Wagner recently threw in with the Eleanor Roosevelt-Herbert Lehman leftist "reform" faction, which seeks to wrest party control from the regular organization headed by De Sapio. President Kennedy considers the New York trouble to be the number one Democratic political problem.

The magnitude of the split boosts GOP chances of winning the New York City mayoralty this year into the realm of the highly possible. Should the Democrats lose City Hall, it could even hurt Kennedy's re-election chances in 1964. Mentioned for the GOP nomination are Senator Jacob Javits, Congressman John Lindsay and State's Attorney General Louis Lefkowitz. Lefkowitz appears to be the only one of the three (all of whom are liberals) who is interested. He is considered highly capable and potentially a strong candidate.

But regardless of whether or not Wagner can retain the mayoralty against a GOP or Fusion ticket, Democratic chances of regaining the Governorship in 1962 are considered almost nil. Nelson Rockefeller seems assured of receiving the big plurality he wants so badly. He will use this plurality to sell himself as the man to head the GOP national ticket in 1964.

The three big practical reasons why Rocky should run up a large vote are: (1) He has the support of the Republican organization in the state, even though many still grumble about his "campaign" for Nixon. Also, Nelson's bitterest party critics, such as state Senate leader Walter Mahoney, have called a truce for the current legislative session, in order to increase harmony. (2) The Governor has endeared himself to the state's left-leaning Liberal party (good for about 400,000 votes) and seems virtually assured of its endorsement. (3) The Democrats, aside from being badly split, are now privately admitting that they have no attractive candidate to put up.

In other words, Rocky has a unique setup waiting for him next year—but one which will have nothing to do with the situation in 1964. Then he would be required to run in 50 states, in many of which he is unpopular. Kennedy's strongest state, aside from his own, is considered to be New York. The President would probably win it, even against

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Nelson. Where, then, it is asked, would that leave a Rockefeller-led national GOP ticket?

Another Appointee: One of the appointments that is receiving quiet criticism on Capitol Hill is that of Jerome B. Wiesner, Special Assistant to the President for Science and Technology. He is the President's right hand man in deciding nuclear testing policies and research development projects. Wiesner, however, is not looked upon with favor by hardened anti-Communists. Congressmen recently criticized recommendations in a Wiesner report, which, in effect, would slow down developments in nuclear rocketry.

His thinking is also considered fuzzy in the field of disarmament. John Lear, in a favorable portrayal in the *Saturday Review*, December 10, 1960, said that Wiesner "looks upon arms control almost as a crusade . . ." and wants to put "peace explorers" in all Executive departments, including the Pentagon.

Wiesner is believed to think along the same lines as the leading disarmament advocate, Dr. Hans Bethe, who was opposed to development of the H-bomb. Bethe recently praised Wiesner as a man who knows the dangers of an "arms race" and possesses sound political judgment.

Wiesner's political judgment can be gauged by a statement that appeared in the fall, 1960, edition of *Daedalus* magazine. Wiesner said that the West was largely at fault for a lack of progress in disarmament because "the West has always been suspicious of Soviet proposals, and furthermore, has generally been ultra-conservative in the inspection requirements it places upon any system." Wiesner, too, recently criticized the Atomic Energy Commission's report which claimed it was vital for the US to continue nuclear testing until an arms pact is reached.

Lobbyists in Government: Seven top appointments of the Kennedy Administration have in the past been registered lobbyists for special interest groups. Each one, it is noted, is now in a key position to help out the association or organization with which he has been connected. The ex-lobbyists, according to *Congressional Quarterly*, include:

• John Baker—named as director of the Farm Credit Administration. He was a registered lobbyist for the National Farmers Union in 1951.

• George W. Ball—Undersecretary of State for Economic Affairs. He was a lobbyist for the Woven Woolen Felt Industry in 1947, a French export manufacturing organization in 1952.

• James K. Carr—named as Undersecretary of the Interior. In 1953 he was a lobbyist for the Sacramento Municipality Utility District, a public agency marketing electric power.

• Charles Donahue—appointed Solicitor in the Labor Department. In 1958 he registered for the United Association of Plumbers and Pipefitters (AFL-CIO).

• Arthur J. Goldberg—Secretary of Labor. In 1955, Goldberg lobbied for the (guess what?) Joint Minimum Wage Committee of the AFL-CIO.

• Esther Peterson, director of the Women's Bureau in the Labor Department. She was a registered lobbyist in 1958 with the Industrial Union Department of the AFL-CIO.

• Joseph C. Swidler—appointed Federal Power Commission chairman. He lobbied for the Tennessee Valley Public Power Association in 1959.

Capitol Camera: Nixon is favored for the '64 nomination by more than half of the GOP delegates to last year's convention who responded to a poll conducted by the Indianapolis *News*. The score: Nixon, 436 delegates or 55.9 per cent; Goldwater, 218 or 27.9 per cent; Rockefeller, 85 or 10.9 per cent; others or no choice, 41 or 5.2 per cent. Others mentioned on the ballots were Morton, Lodge, Hatfield, Cooper and Judd. Some of those expressing no choice said they hoped some new figure of Presidential stature would loom before the 1964 convention.

• *New Secretary of the Interior Stewart L. Udall reveals that he's pro-public power and vigorously so. Said the Secretary recently: "The Eisenhower Administration regarded public power as something of a necessary evil. We regard it as a necessary good. We're not, as they did, going to go out searching for ways to let private industry have access to hydroelectric sites and falling water dams built with Federal funds."*

• A West Berlin editor reports that Victor Reuther, Walter's brother and international affairs director of the UAW, told him recently: "We [American trade unions] have close and friendly relations with Kennedy, even closer than we had with Truman and Roosevelt."

• *The Freedoms Foundation (a non-profit patriotic organization at Valley Forge, Pa.) last week presented its annual George Washington Honor Medal to the Americans for Constitutional Action for its ACA-Index. The Index was termed an "outstanding achievement in helping to bring about a better understanding of the American way of life." Admiral Ben Moreell (USN-Ret.), ACA executive director, was given the Foundation's George Washington Medal for the outstanding patriotic address of* 1960.

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Education: A Proposal to the Republican Party

By Senator Barry Goldwater

SEVERAL WEEKS AGO I released Part I* of this statement dealing with proposed Republican positions on inflation, labor, electoral college reform, social welfare, foreign policy, and, briefly, on one aspect of education. In this second part, we shall set forth a program dealing with the proper role of the federal government with respect to education at all levels—elementary school, high school, and college, university, and institutions of higher learning.

This is a role which must be directed toward helping our people toward helping themselves without the direct intervention of the federal government. It must recognize first and foremost the danger of centralized control over the vitally important area of life encompassed by the education of our children. Then, it must take account of the actual need which exists for expanding and augmenting the facilities which we now have for meeting the nation's educational needs. Finally, it should use the power of the federal government to place at the disposal of the people and the states and local governments the means to handle the needs that may exist or arise.

The problem is one of letting the people decide, in their own communities where that decision can best be made, just what are their educational needs. After that, it is one of equipping them to handle their needs locally, through their own school boards and without the direction of Washington bureaucracy.

As we pointed out in Part I, the major domestic problem facing the nation is the threat of inflation with its disastrous impact on private savings, insurance, pension funds and social security. This threat has enormous ramifications when applied to our educational problems.

This is true because an increasingly larger share of these funds is being accumulated by parents for the purpose of providing for the higher education of their children, the costs of which are outstripping the ability of many people to keep pace. And for that reason, a specific proposal was set forth in Part I for dealing with that aspect of the appropriate role of the federal government.

Financing College Education

As the costs of college education continue to rise, it becomes imperative to provide relief to the taxpaying parents of college students, and to do so not in the form of federal handouts but by narrowing the far-reaching scope of the federal taxing power.

Providing an education for their children is traditionally the responsibility of the American family and not of the government. The vast accumulations of private savings and insurance bear witness that most of our people still believe in this principle. Hence, a federal program to aid our children to secure a college education should be directed toward helping their parents to do the job. It should avoid the form of federal grants with their accompanying expansion of federal bureaucracy and federal supervision, which not only wastes funds through unproductive administrative costs, but creates a risk as well of federal controls over public education.

The Republican Party therefore proposes a program of tax relief for most families with children at college. Such families will be given a substantial additional federal income tax deduction for each dependent attending college. The specific details of this proposal, as spelled out in legislation, are set forth at the end of this statement.

The Decay of Pre-College Education

The Republican party believes, and its opinion is shared by many outside the Party, that what is primarily wrong with American pre-college education is NOT LACK OF MONEY BUT LACK OF QUALITY. The deterioration in the standards of the American elementary and secondary school has been recognized not only by leading scholars in and out of the academic community but, finally, by the vast majority of the long-suffering American people as well. It seems obvious that huge sums of additional money should not be spent in perpetuating and aggravating our educational shortcomings. Any program which makes additional funds available for use by our elementary and secondary school systems should be accompanied simultaneously by a program designed to induce improvements in the quality of education.

Speaking before the American Society of Civil Engineers in February, 1958, Dean Martin Mason of the George Washington University School of Engineering stated bluntly:

> "Our schools are not fulfilling what should be their main function—basic education and the stimulation of minds. Pupils spend half their time learning social graces, automobile driving and building their bodies."

Mortimer Smith, Director of the Council for Basic Education, in his recent book "A Citizen's Manual for Public Schools," writes:

> "To sum up, this should be the bare minimum expected of a normal child finishing the elementary school: he should be able to read and write with some fluency, and spell, add, subtract, multiply, and divide with accuracy; he should know the basic geographic facts of his country and the world, have a knowledge of elementary science; know something of the culture and history of other peoples and much of his own. And above all, his schooling should have taught him the difference between aimless mental activity and orderly thought.
>
> **"There is a strange quirk in modern educational thinking which produces pessimism about the school's ability to teach such tangibles as geography, spelling, and reading, but optimism about the ability of the school to teach such intangibles as good citizenship and wise use of leisure time and to produce tolerant and well-rounded personalities."**

THE REPUBLICAN PARTY, therefore, as a step in its program to aid and improve pre-college education in the United States, proposes a measure to help achieve these goals which will invoke the most limited participation by the federal government but which will be *wholly voluntary in character, completely free from any compulsion*, either through law or otherwise, and which will be based entirely on the principles of emulation and inspiration.

The proposed measure will establish a national merit scholarship program to make it possible for the most promising students to obtain college and

* Part I was ublished by HUMAN EVENTS January 27, 1961, in pamphlet form, entitled "The Forgotten American." Reprints can be obtained at 25c per copy from HUMAN EVENTS, 410 First St., S. E., Washington 3, D. C.

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undergraduate university educations, but primarily designed to establish a set of voluntary secondary school scholastic standards which can serve as a guide and a beacon both for the high schools of the nation and for the parents of America.

These national scholarships will require only a tiny expenditure of federal funds. They will be severely limited in number but generous in amount so as to be attractive to students and parents alike. They will be administered by a Board appointed by the President, and consisting of scholars and authorities in the humanities, literature, foreign languages, science, mathematics, history, philosophy, sociology, economics, etc.

This Board will implement the basic scholastic requirements for eligibility to compete for these scholarships as set forth in the law itself. These requirements, as a minimum, will include the study in high school of English, foreign languages, science, mathematics and history (emphasizing American history). The examinations conducted by the Board will require the student to achieve an absolute passing mark. If more students pass than the number of scholarships available, only that number, in order of performance, will receive the scholarship awards. If fewer than this number manage to get the passing grade, then only they will be selected and the rest of the scholarships will remain unused. The examinations will be conducted on a nationwide basis with no geographic restrictions or limitations on the number of students from any state or community who participate or who secure the scholarships. If all of them go to the students of a single state, community or even school, unlikely as that may be, then the rest of the nation's school systems would do well to re-examine their own educational establishments.

THERE ARE SEVERAL beneficial effects which are to be hoped for from this proposal. First, it will encourage a healthy spirit of academic rivalry among the secondary schools of the nation, similar to that which now exists in athletics and debating. Second, it will spur scholastic competition among individual students. And last, but most important, it will expose the weaknesses in some of our secondary schools while at the same time revealing the strength in others.

The American public will assess the results of these examinations. A school which consistently fails to qualify its students for participation in the examination, or whose students consistently fail to secure any of the scholarships, will come under intensive critical scrutiny. The parents and the community will want to know why their children are not eligible to compete; they will ask why their school lags behind while the school in the neighboring county or adjoining state can boast of producing "National Scholars." Where these seriously inadequate educational standards exist, we are confident that the American people, with their customary diligence, will ferret out the evils which have brought about the deterioration and provide the necessary corrective.

Financing Pre-College Education

The third step in the proposed program to aid and improve education in the United States is a measure, which, if adopted, makes all the alternative plans for federal aid to education which are currently under serious consideration irrelevant and unnecessary.

Since the end of World War II, we have witnessed the greatest school building program ever conducted in this country. In the past 10 years alone, over 500,000 classrooms have been built, and based on the sale of school bonds for the past several years, there is every reason to believe that this high rate of classroom construction will continue.

In spite of the tremendous job which the states and local communities have done during the past 15 years to overcome the backlog of school facilities needed in some areas, a backlog brought on by the Depression, World War II, and Korea, the proponents of direct federal aid to education are nevertheless absolutely insistent that the only way to reduce the backlog is by way of a massive infusion of federal grants into the states. In recent years, these same proponents have added to their propaganda the claim that teachers are not paid enough by the local school districts and, therefore, that it is the responsibility of the federal government to correct that situation as well.

It is interesting and significant that the demands for federal aid to education have grown louder and more insistent as the need for expanding our school facilities diminishes. It is fully apparent that many of those promoting the idea of federal aid to education are interested only in the element of centralized control and, consequently, refuse to recognize that the states and local communities have been rapidly solving the backlog problem. They have seen their "crisis" selling point melt away in the face of determined local responsibility and are attempting to cover it up by adding new items to their list of needs and more power to their propaganda efforts. The present offensive for federal aid to and control of the nation's education is the heaviest ever mounted and it must be met with a courageously sound proposal incorporating the principles of individual freedom and personal responsibility.

The Republican Party is fully aware that a growing student enrollment has made it difficult for some localities completely to overcome classroom shortages despite the expenditure of considerable amounts of money and effort. We are also conscious of the fact that teachers' salaries have lagged behind those of other professions and vocations, causing some qualified instructors to resign from teaching and enter more highly paid occupations and making it difficult to attract qualified replacements.

However, recently published school statistics dealing with pupil, population, enrollment, teachers and public school expenditures are most revealing. Between 1950 and 1960, public school enrollment increased by 44.4%; during this same period, the number of teachers in elementary and secondary schools increased by 51.9%, thus reducing the pupil-teacher ratio to 26.5 to 1 as compared to 27.8 to 1 in 1950. But while pupil enrollment and number of teachers are increasing in these ratios, total expenditures for public elementary and secondary schools rose by more than 150%.

It is quite obvious from these figures that the states and local communities have been making enormous and effective efforts to meet their school needs. Wherever the problem of the need for additional classrooms has not been solved, it has not been due to any reluctance on the part of the local community or the state to find and expend the necessary funds.

In view of the willingness of state and local communities to keep pace with growing educational needs, the Republican Party rejects the wasteful and undemocratic measures to appropriate for school aid billions of federal dollars extracted from states, only to be partially funneled back to them again with strict limitations on the use to which these funds may be put.

We believe that the alleged evil plight of our schools has been grossly exaggerated and that the magnificent efforts of our state and local governments to find money to meet school needs has been largely and purposely ignored.

THESE EFFORTS represented the quiet response of "Forgotten Americans" to the educational problems arising in their communities. The job was done without fanfare by the people who meet their responsibilities on a day-to-day basis without the benefit of prodding by nationwide pressure group organizations. We say that it represents a monument to the efforts of a free people, working with initiative and enterprise in their own communities to meet the problems of those communities as they arose. This is where the big job of meeting the nation's educational problems has been accomplished up until now and this is where the job, rightfully, should be finished.

Our proposal will provide the means for solving additional school problems, if they really exist, but it will leave the determination of this highly debatable

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question where it properly belongs—with the state and local communities and not with the federal government. The basic problem, if there is one, is financial. If state and local governments in some parts of the country are unable to keep pace with their school needs, it is because the federal taxing power has pre-empted state and local sources of revenue. Hence, the proper approach is to compel the federal government to restore to the states and localities at least a portion of the tax resources which it has taken away. This is precisely what our measure will do.

The proposal is a simple one. Every homeowner, every owner of real estate in the United States pays real property tax to his local community government. In most cases, a substantial part of this tax is used to meet the primary and secondary school needs of the community, whether for new construction or for maintenance, teachers' salaries or other past or current school costs. We would merely provide that every taxpayer who pays a school tax on his real property, or as part of his real estate tax, shall, after having calculated the amount of federal income tax which he must pay Uncle Sam, be permitted to subtract from the federal income tax which he owes the full amount of such school property tax, or such portion of it as will result in a total additional tax benefit to these taxpayers of between three and four billion dollars.

Under existing federal income tax law, state and local taxes are deductible from gross income but the amount actually saved by the taxpayer depends on his federal income tax bracket. Thus, for example, a taxpayer who has paid $200 in school taxes as part of the local real property tax on his home, and is in the 20% federal income tax bracket, realizes a saving of $40. Our proposal would retain this present practice, but in addition would permit him to take a $100 credit against what he owed Uncle Sam, i.e., against his net federal income tax. Hence, instead of a saving of $40, the homeowner under our proposal would save $140 of the $200 he paid in school taxes on his home. Of course, if the taxpayer's school tax were less than $100, he would be permitted to save in toto no more than the actual amount of his school tax.

This tax credit would be available to real property-school taxpayers whether they itemize their federal income tax returns or take the standard deduction.

The concrete advantages of this approach are overwhelming, as will be shown in the following:

• The tax benefits provided would go DIRECTLY to approximately forty million TAXPAYERS, including about thirty-four million homeowners, who, with their families, constitute almost 90% of our population, and who, in large part, are the "Forgotten Americans" for whom only the Republican Party speaks today.

• *With the federal government completely excluded from the program, there would be NO DANGER OF FEDERAL CONTROL OVER EDUCATION. Depending on state law, each community itself, or the state, would be the final judge of how much more it would like to spend on its educational needs than it is currently spending.*

• The funds made available to the TAXPAYERS are greater than the sums contemplated under any of the other federal aid to education measures which are seriously being considered; greater even than the sums recently recommended by President Kennedy's task force headed by President Hovde of Purdue University.

• *Because of the complete exclusion of the federal government, there would be no expanded bureaucracy, no federal administrative costs, and every dollar of tax money thus made available would purchase a full dollar's worth of school aid if the community decided to expand its expenditures for education.*

• Inasmuch as the tax resources of every state and locality would be substantially increased under this proposal, each would have ample funds to provide for its own school needs as it chooses, for none know better what these needs are than the citizens of the states and localities themselves.

• *The so-called richer states would not be required to help finance the school needs of the allegedly poorer states, for under our proposal every state would have sufficient funds to meet its school needs out of its own resources. Rich state A would not be required to pay to the federal government in taxes twice or three times as much as it gets back in federal school aid while poor state B was receiving back in federal aid two or three times the amount of tax money it paid to the federal government as its share of financing the federal school aid program.*

• Under any of the other proposed federal school aid measures, those states which have fully met their school needs and would not, if given a free choice, expand their school facilities during the next few years, would nevertheless be compelled to pay their share in federal taxes to finance the program. The only way these states could recover any of the money thus extracted from them under these various proposals would be to accept the federal grants *and* use them to expand their school facilities. The result would be the highly uneconomic and wasteful extension of school facilities in many areas where such extension is unnecessary and where other more urgent needs exist and must perforce remain unsatisfied. Under our proposal, the use made of their money is not dictated to the taxpayer by the bureaucrats in Washington—it is determined by the taxpayers themselves, i. e., by the parent, the citizen, the local school board, and the community.

• *Any objection to our proposal based on the assertion that it would bite into the federal treasury is equally applicable to any of the other measures presently under consideration. We believe that ours would lead to a good look at the federal budget and the discovery of many items of less importance, or even of no importance, which could be readily eliminated with no ill effects for the public welfare.*

• If unemployment does not decrease and business continues to falter because of the lack of confidence engendered by the spendthrift promises of the Democratic platform, our proposal will provide the necessary tax relief which some of the proponents of expanded federal aid programs assert to be necessary to stimulate the economy.

• *The pre-emption of state and local tax resources by the federal government would be diminished, and thus an important step would be taken in contracting big central government and strengthening state and local government.*

To implement this program to aid and improve education in our country, a bill is being introduced which contains the necessary legislative provisions for achieving our goal. The bill consists of two titles, the first dealing with the establishment of the program for national merit scholarships, and the second providing for federal income tax deductions for parents with dependents at college, and for the federal income tax credits for homeowners and other owners of real estate in order to provide funds for aid to primary and secondary schools where such aid is needed. The bill is called "The Education Opportunities Act of 1961 [S. 991]" and in specific detail it provides as follows:

A Program Providing National Merit Scholarships

• Establishes a National Scholarship Board, appointed by the President, consisting of thirteen members who are recognized scholars in the fields of engineering, science, mathematics, languages (including classical), the humanities and the arts. The duties and responsibilities of the Board shall be to set forth the policies and principles for selection of individuals for scholarships which shall be known as "National Scholarships." As part of the examination, designed to measure achievement, the Board shall require each competing individual to submit an original theme or composition written in English as well as a written translation of such theme or

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composition from English into a foreign language.

• In order to compete for these scholarships, an individual must meet the following requirements:

1. Must be in his last academic year or must hold a certificate of graduation from a secondary school;

2. Must have completed at least 4 years of English, 4 years of history, 3 years of mathematics, 3 years of a foreign language, 3 years of science or, in lieu thereof, 3 years of Latin or Greek.

3. Must be or have been in the upper 15% of his class.

• Each scholarship awarded by the Board shall be for four years or such longer period of time necessary to complete the course which the student is pursuing. The amount of the scholarship shall be based on the estimated expenses of the recipient but in no event shall the amount exceed $3,000 for any academic year. The recipients of these scholarships shall be designated "National Scholars."

• The Board would be authorized to award every year a maximum of one thousand scholarships. The Board shall establish a minimum attainment grade for such examinations and, notwithstanding the number of scholarships authorized, a scholarship shall not be awarded to any individual unless he equals or exceeds such minimum grade. Thus, if only 700 of the applicants receive such a grade, only that number will be awarded and the remaining 300 will not be used. If more than a thousand applicants receive a passing grade, the scholarships will be awarded in accordance with the principles and policies established by the Board.

• The examinations conducted by the Board will be on a nationwide basis with no geographic restrictions or limitations on the number of participants from any state or community. This same condition will also apply with respect to the award of these scholarships.

A Program Providing Tax Relief for Families

• The taxpayer is granted an additional deduction from his taxable income for the expense incurred by him, his spouse or his dependent or dependents while attending college.

• *Expenses shall include tuition and fees charged by the college for a course of instruction and attendance at such college; books, supplies and equipment; room and board, whether the student is living on or off the campus. The amount the taxpayer may deduct shall be the actual amount of expenses paid but not to exceed $2,000 for each child attending college. Of this amount, the cost of room and board may not exceed $90 a month while the student is in attendance at college ($45 in the case of a student* living at home).

• In addition to his child or children, the taxpayer may also deduct such expenses which he incurs as a student as well as those of his wife and anyone else whom the taxpayer can lawfully claim as a dependent.

• *The deduction is available to a taxpayer whose dependent is attending a college, university or other institution of higher learning, such as medical school, dental school, law school or other graduate school. This deduction is not available to a taxpayer whose dependent is attending a trade or vocational school or any other school which does not award a baccalaureate or higher degree.*

• The amount of expenses which the taxpayer may deduct from his taxable income shall be reduced by the amount by which the taxable income of the taxpayer exceeds $10,000 if the taxpayer is unmarried or, if married, files a separate return or, $20,000 if the taxpayer is married and files a joint return or is a head of a household or a surviving spouse. Thus, if a taxpayer has $2,000 in educational expenses and a taxable income of $20,800, he would be entitled to a deduction of $1,200 ($2,000 less $800, the amount in excess of $20,000). The taxpayer thereby reduces his taxable income from $20,800 to $19,600. If the taxpayer is in the 50% bracket, he would thereby reduce his tax by $600 (50% of $1,200).

A Program Providing Tax Credit to Homeowners

• The taxpayer would continue to deduct the amount of his real property tax from his gross taxable income; after he determines what his tax will be, he then credits against his final tax that amount of his real property tax which is used for the maintenance, operation and construction of public elementary and secondary schools.

• *Tax credit would be the amount actually paid by the taxpayer or $100, whichever is less. To illustrate, a taxpayer pays a real property tax of $600, of which $350 is used for public school purposes. As he does at present, the taxpayer would be able to deduct from his taxable income, $600, and assuming that he is in the 20% bracket, this would result in a tax saving to him of $120 (20% of $600). After determining his final tax, for example, $500, the taxpayer would be able to take credit of $100 against his net tax—thus, instead of paying a tax of $500, he would pay only* $400.

• The taxpayer who takes a standard deduction would also benefit since the credit granted is taken against the final tax after all exemptions and deductions have been made.

• *The deduction together with the tax credit cannot result in a saving to the taxpayer of more than the actual amount of that portion of the real property tax devoted to public school needs. For example, the taxpayer pays a real property tax of $100, of which $60 is used for public school purposes. Assuming the taxpayer is in the 20% bracket, he would be able to reduce his tax by $20 (20% of $100), $12 of which is attributable to the tax for school purposes. Giving such a taxpayer a $60 credit—the actual amount paid for school purposes—would return a saving to the taxpayer of $72 or $12 more than the tax he paid for support of the public schools. Thus, the tax credit in this case would be limited to* $48.

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HUMAN EVENTS
-- What YOU Can Do --

See page 140 for the reasons why it is so important that YOU and YOUR FRIENDS write your Congressman about the King Bill.

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Beware 'Medicare'

By Hans F. Sennholz
Chairman of the Economics Department, Grove City College, Pennsylvania

ACCORDING to the Socialists central management of economic life is to replace the anarchy of capitalistic production. The noble aims of society are to supersede the conflicting aims of selfish individuals. And a just distribution of income and possessions must replace the unjust distribution resulting from exploitation and class struggle. President Kennedy's plan for the health care of the aged must be seen in the light of this program.

The Kennedy health proposals embodied in a series of bills sent to Congress aim at a "more equable" distribution of income. Whether they aim at egalitarian redistribution through appropriations from general fund revenues or through social security measures, they tend to socialize income and create a welfare state that allocates benefits in money or in kind to those who are deemed to be most needy and deserving. This welfare state is the modern substitute for old-fashioned socialism under which the central government seizes whole industries through expropriation and nationalization.

That the apparatus of social security mainly serves as an instrument of compulsory redistribution is admitted even by its advocates. Whatever its initial objective may have been, the Federal Old-Age and Survivors Insurance now rejects the principle that benefits should be based on the amount of contribution. Each worker's old-age claim is related to "need" as defined by Congress in accordance with its current conception of adequacy. Politicians are the judges of need and adequacy. They determine the conditions of eligibility, define the concepts of "covered" employment, retirement age, limitations on earning tax rates and ceilings on taxable wages, etc. In short, every phase of our social security program depends on our politicians' notions of social justice and welfare.

The persisting belief that the individual beneficiary has a right to the services because he has paid for them rests either on naivete or insincerity. The Kennedy health care program would extend hospital, home nursing and nursing home services to some 14.2 million persons aged 65 and over who now are receiving social security retirement benefits and who, of course, will not pay for the health benefits. Even their present old-age benefits are mainly drawn from the tax payments of others. It can easily be ascertained through simple calculation that every present beneficiary withdraws in a few months what he has contributed in many years of employment. After he has received the equivalent of his own contribution, he is supported by the Social Security Administration and ultimately by the tax-paying population.

This windfall for the aged is made possible through the sacrifices of the young. It is estimated that a young entrant must pay $1.69 *in taxes for every* $1.00 *promised in benefits. In fact, with his monthly social security tax withholdings a young man of* 20 *could buy from private insurance companies a life annuity yielding almost double the monthly social security benefits after he reaches* 65. *Of course, these tax withholdings include the employer's contributions which, in effect, are paid out of his wages.*

WE MUST ANTICIPATE ever rising taxes for the support of the aged. Under present law, social security taxes are slated to go to a total of 7% in 1963, 8% in 1966, and 9% in 1969. With the health care tax increase the tax is scheduled to rise another ½%. And there is no reason to believe that future tax rates will not go much higher. The American rates may some day approach the rates of the older European social security systems. In Italy 44 per cent of a semi-skilled worker's remuneration is spent by the state for social security services. In France the worker pays approximately 33 per cent of his pay for the services provided by the state. And in Germany about 20 per cent of national income goes to the Social Security Administration.

In the final analysis, the "right" of the aged to support by the working population is a concealed appeal for charity. Without having earned this right through savings and advance payments, they claim it on the basis of special needs which clearly reveals the charitable nature of the right. But most aged are still reluctant to admit receiving anything they know they have not earned. They dislike all forms of "means test" that could prove their special needs and justify their claims for support. In order to conceal the true nature of their claims, they favor a system that conceals the charity. They clamor for a system that provides equally for everyone irrespective of need and want. People in certain circumstances, such as old age or sickness, are to be supported irrespective of what they can do for themselves. Thus the system of concealed charity gives rise to the system of forced redistribution.

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An honest means test would reveal a picture of the aged that differs radically from the dismal descriptions given by the advocates of redistribution. An excellent study entitled "A Profile of the Aging: USA" was recently conducted by 16 professors of 15 universities under Professors J. W. Wiggins and H. Schoeck of Emory University, Atlanta. According to this survey the model annual income of the aged is between $2000 and $3000. Their cash equivalent assets over liabilities are in excess of $10,000. Some 33.6 per cent are still working, mostly on the same job held prior to reaching retirement age. One-fourth live with their children. Of the rest, all but one out of every ten are in close contact with their children. Sixty-four per cent were covered by insurance for medical purposes; 96 per cent were free of medical debts.

When asked how they would meet extraordinarily large medical bills in case they had no insurance, 42 *per cent of the respondents offered to use cash,* 11 *per cent would mortgage their homes,* 15 *per cent would borrow against insurance policies or sell stocks or bonds. It is obvious that only a tiny minority of the aged qualify for assistance on the basis of an honest means test.*

It must be admitted, however, that the problem of the aged is bound to become more serious in the future. The inflationary policies of the welfare government tend to depreciate and destroy the means of support that people may endeavor to set aside for old age. Through monetary depreciation people are robbed of a great part of their savings which, indeed, may frustrate their desire to remain self-supporting. The present quest for public support of the aged undoubtedly receives an important impetus from the inflationary destruction of savings during the last 30 years. In the future the pressure for public support is bound to grow with the growth of the welfare state and its inflationary practices.

This disastrous effect of inflation, for which our monetary authorities are solely responsible, plays into the hands of the liberals. Being robbed of their savings, an ever growing number of aged are inclined to seek government aid and support, which a vote-conscious Administration readily extends. In fact, through a continuous broadening of the program it is bidding for the votes of a growing number of covered beneficiaries. At the beginning of every election year—and after each election—social security benefits are raised and coverage is extended. As there is no visible limit to the demands that can be made on behalf of the aged, ever new demands will be advanced. Old age and sickness benefits can be raised continuously. The age limit can be lowered to 60, then 50, or even 40. To the liberals this extension is surely desirable, for it increases the number of beneficiaries and voters.

Unearned income tends to corrupt its recipients. It tempts them to adopt as the guiding criteria of a beneficial party and Administration the material benefits which are bestowed on them. It shatters thrift, self-reliance and integrity. Indeed, it is appalling to observe even professional people who draw pensions and are well-to-do contriving to obtain the maximum benefits with a minimum of tax contributions. They evidence no scruples in joining the system a few months before or even after retirement in order to qualify for social security benefits. Because it redounds to their material advantage, they adopt redistribution as a way of political life.

Unearned old-age benefits make people unnecessarily old. Unearned sickness benefits make them unnecessarily sick. According to expert opinion, they constitute a menace rather than a means to health.

The will to life and health is the most essential prerequisite for healthy living. "Free health benefits," says Dr. Charles G. Jones (*Essays on Liberty,* Vol. V, Foundation for Economic Education, Irvington-on-Hudson, N.Y.), "tend to weaken one's reasons for being well. If a man suffers no material disadvantage from sickness, there is no material incentive for him to recover rapidly . . . An individual can become ill by just imagining he is ill, or, he may be a malingerer from the very beginning. The psychiatrist will tell you that the incentive for either is the thought of increased recompense for being ill. At any rate, such persons manage to bring misery upon themselves and to all about them."

Medical needs usually cannot be ascertained objectively. No one can judge how much care and effort are required in a particular case. As there practically is no limit to what can be spent on actual or imagined ills, the aged beneficiary may quickly exhaust the benefits provided by the health plan. Only after the free benefits are spent will he decide on the basis of economic considerations whether a particular illness is worth his own economic sacrifices. In short, the aged will be tempted to make ready use of their maximum free benefits and then clamor for more in order to further postpone or even avoid material sacrifice. This characteristic will increase the costs of the system far beyond the estimates of the Kennedy plan.

THE AGED HEALTH plan is another politically directed scheme for the determination of relative incomes and income redistribution. It is built on deceit committed in the name of the needy who are made to feel that their benefits are the result of their own efforts and merit. It grants the Social Security Administration a virtual monopoly in the vital field of aged health care. It bestows new discretionary powers on authority in the Federal government and allows more than 14 million aged voters to determine their own support by the working population. It is a source of conflict, for it divides the nation into two classes of citizens, (1) the aged living on the taxes paid by the working population and (2) the young supporting the aged and thereby earning the right to be supported by the future generation. But with rising benefits and taxes, the working population may some day resent this burden and decide to make individual provisions for old age. In order to raise their standards of living, they may abolish all schemes of redistribution and provide for needy aged through honest charity. Individual freedom from social security and government health schemes will signal the end of the present system.

In the meantime, social security and the health of the aged will stay political footballs. They will tend to socialize the minds of the people and condition us mentally and materially for more socialism.

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H. R. 4222

A Summary of the King Bill

H. R. 4222 (the King Bill), the Health Insurance Benefits Act of 1961, to provide for payment for hospital services, skilled nursing home services, and home health services furnished to aged beneficiaries under the old-age, survivors, and disability insurance program, and for other purposes, was introduced by Representative Cecil R. King (D.-Calif.), on behalf of the Kennedy Administration.

Services for which payment would be made under the proposal include:

- Inpatient hospital services up to 90 days. Such services would include all those customarily furnished by a hospital for its patients, and would be subject to a deductible amount (paid by the patient) of $10 a day for up to nine days, with a minimum of $20.

- Skilled nursing home services, after the patient leaves the hospital, for up to 180 days.

- Outpatient hospital diagnostic services, as required, subject to a $20 deductible amount for each diagnostic study.

- Home health services for up to 240 visits during a calendar year. Such services would include intermittent nursing care, therapy and part-time homemaker services.

An individual could be eligible for a maximum of 150 units of service for each period of illness. A unit of service would be equal to either one day of inpatient hospital services or two days of skilled nursing home services. A new period of illness would not begin until 90 days had elapsed in which the patient was neither in a hospital or a skilled nursing home.

Responsibility for administration of the program for social security beneficiaries would rest with the Secretary of Health, Education and Welfare. He would consult with appropriate state agencies and recognized national accrediting bodies in formulating conditions of participation for physicians, hospitals and other providers of services.

The program would cost six-tenths of one per cent of covered payroll. Benefit payments in the early years of the program would amount to slightly more than $1 billion annually. The social security contribution rates would be increased one-fourth of one per cent on employers and one-fourth of one per cent on employees and three-eighths of one per cent for the self-employed, effective in 1963. The taxable earnings base would be increased from $4,800 to $5,000 a year, beginning with 1962.

At the beginning of 1963, the first full calendar year of the proposed operation, there will be about 16,750,000 people aged 65 and over in this country; 14,250,000 of them would be protected under the King Bill because it covers all persons who are entitled to social security or railroad retirement benefits. Another 250,000 retirees under the Federal staff retirement systems will be eligible under already existing programs for health benefits that

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NEW FRONTIER
LET THE GOVERNMENT TAKE CARE OF EVERYBODY
WHERE THE GOVERNMENT "TAKES CARE" OF EVERYBODY.

are at least equivalent in value. About 500,000 persons will be on veterans' pension or compensation rolls; generally these people can obtain comprehensive health care under the veterans' programs.

Over 1,250,000 of the remaining aged persons not covered under social security and railroad retirement will be on the old-age assistance rolls when the new program goes into effect. Having already met a needs test under the assistance program, they will be eligible for such medical assistance as is provided under the old-age assistance programs of the states in which they live. (In some states the provisions for medical assistance under the old-age assistance program are quite limited. These limitations, generally speaking, do not result from any lack of provision in the Federal law but rather the fact that the state programs in question have not developed to the point where they utilize all available Federal grants.) All but about 500,000 persons aged 65 and over would be eligible for some form of health protection under public programs.

Sponsors of the bill promise that the health benefits under the King Bill would be provided without interfering with the patient's free choice of physician or facilities and without altering the present form or organization of medical practice. They claim that the care that beneficiaries would receive, and the institution or facility providing it, would be a matter strictly determined by the beneficiary, his physician and the provider of the services.

Providers of services who wish to participate in the plan would enter into agreements under which they would be paid for "the reasonable cost of the services they furnish under the plan."

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'Medicare's' Ultimate Cost: $22.5 Billion a Year?

Despite the denials of its proponents, the King Bill is a foot-in-the-door move toward socialized medicine—and we do mean socialized medicine. If this bill should be passed, a drive will immediately begin to provide medical, dental, hospital and nursing home needs for all persons of retirement age.

At the same time, there will be a campaign to lower the age of eligibility by steps down to 60, 50 and then all the way. Ultimately, the program will cover the "health" needs of all, cradle to grave.

The cost of this "introductory" bill has been estimated at "only" one billion. Estimates made to get a new social program through Congress usually prove to be one-half or one-third of its actual cost. The cost of the British health program passed by the Labor party immediately after World War II turned out to be three times the "promised" figures.

The British program now costs $2.5 billion and its supporters insistently argue it is grossly inadequate—as it certainly is. Britain has less than one third of our population, so its $2.5 billion cost would be in excess of $7.5 billion in the US, if only to take care of 180 million people as against 50 million.

But an estimate of a $7.5 billion cost to the US for a British-type full coverage plan would ignore the fact that wages and salaries in the USA are three times the British scale. If all persons being paid by a US health care program—physicians, nurses, hospital attendants, and the rest—are to receive American-standard incomes, the $7.5 billion estimate must again be trebled—bringing the cost up to $22.5 billion.

Now, let's see what a $22.5 billion program would cost in social security taxes.

The King Bill calls for a payroll tax of one-half of one per cent, which is to be collected one-half from employer and one-half from employee.

That one-half of one per cent payroll tax will produce a yield of one billion dollars. On that basis, the tax would have to be 11¼ per cent if a $22.5 billion cost is to be met. This 11¼ per cent is for "health" alone; it does not include the payroll taxes collected for old age pensions, unemployment insurance, and other items that the "cradle-to-grave" advocates will eventually want to provide.

However, before bringing the $22.5 billion collective cost down to the level of the individual, let's establish right now that the tax, even when paid by the employer, is payment FOR the services of the employee. Liberals, interested always in deception, would like wage-earners to believe that the employer's share is "no skin off his back." Let common sense give the true answer.

Now that this foundation has been laid, let's see what a $22.5 billion program would cost in tax payments by and for an average wage-earner.

Nothing is too good for our senior citizens as long as they can hobble to the polls.
MEDICARE
SENATE
HOUSE
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1961 Stampede

For a $5,000 wage-earner, the combined tax payment will be $567.50. If $5,000 should be his annual earnings from ages 20 to 65, the tax payments for and by him will total $25,537.50.

The average family today has two wage-earners. If the second earner gets $3,000, the tax payment will be $337.50 per year. If that earner also works from 20 to 65 the tax payments for and by him will be $15,187.50.

For the two members of this family, the 45-year total will be $40,725.

Those tax payments go to Uncle Sam, who wants plenty of authority about how those sums are to be spent.

If the average wage earner knew NOW what medicare's full ultimate cost would be—to him and to his children when they grow up—the storm of protest would blow into a thousand pieces this great leap forward toward a Socialist state.

Write your Congressman! Get your friends to write.

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HUMAN EVENTS

--- COMMENTARY ---

"But how is legal plunder to be identified? Quite simply. See if the law takes from some persons what belongs to them, and gives it to other persons to whom it does not belong. See if the law benefits one citizen at the expense of another by doing what the citizen himself cannot do without committing a crime."
—*By* FREDERIC BASTIAT (1801-1850)

Vol. XVIII, No. 9 — Section IV March 3, 1961

Forand Medicare---'We can't afford it,' wrote Day 9 months ago

Kennedy's Postmaster General Denounced Welfare Spending

(*Reprinted below is an article by-lined by* J. EDWARD DAY, *now Kennedy's Postmaster General, as it appeared in the June,* 1960 *edition of* The Freeman *magazine.*)

As the new decade dawned, we saw many predictions of the bold new things needed for the surging population of the sixties. There was mention, of course, of new plants and facilities to provide new jobs, of more homes, and of more new products to go with those homes. But where in another era this awakening to rapid growth ahead might have meant expanded farm output, new rail lines, more steel capacity, and the like—financed in the past by private capital—the top needs now emphasized are highways, schools, airports, rapid transit, water resources, public housing for the elderly, more hospital beds, more capacity in colleges and universities, space research, "closing the missile gap," aid to underdeveloped countries—all of which must be financed in whole or to a predominant degree by *public* funds.

We are used to hearing it said that even though a certain program might be *desirable* for adoption by a city, county, or state government, the particular government unit simply can't afford it. Each of us is familiar with situations where local governments have "made do" with older public buildings or with something less than perfection in quality of services, pay levels for public employees, and modernization of streets, sewers, and schools.

There have always been those, of course, who insisted the federal government could not afford this or that new or expanded program. But the fact that the federal government can go hugely into debt without voter approval of bond issues (states and cities usually can't), has made the ceiling on federal spending highly flexible. So on federal spending, those who could make a good case for "desirability" could almost always prevail over those who asked, "Where's the money coming from?" For the federal money was always forthcoming—even if it meant, as in fiscal 1958-59, a $12 billion deficit in a peacetime year.

Suddenly, at a time when pressure for public spending at all government levels was never greater, the day of reckoning has arrived. Eighty billion dollars of the federal debt must be refinanced in 1960 at a time when 5 per cent federal bonds have appeared on the scene for all to see. All at once we hear about "gold drain" and "deficit in international payment balances" and even "flight from the dollar." Getting federal spending and debt under control is no longer a matter of argument—it is a crystal clear necessity.

Near term federal tax reduction seems less and less a sensible possibility. State and local taxes seem bound to continue their upward climb. The theory that the federal government was going to confine itself to certain kinds of taxation and the state and local governments were going to confine themselves to others, has proved to be just that: a theory. State income taxes (with ever higher rates), school district income taxes, and city payroll taxes are competing for the same net earnings dollar as the federal income tax. And by 1969 the Social Security tax, even to support the program as it now stands, will be 9 per cent of taxable payroll—with half to come from the employee (and not deductible from the employee's federal income tax).

We have to face up to our *total* needs for future spending at *all* levels of government, assign priorities among programs and projects, do some major retrenching in existing public programs to preserve solvency, and *then* decide whether we can afford to open the door to a vastly expensive, expansive federally financed health care program.

The Forand Bill would amend the Social Security Act to provide broad hospital, nursing home, and surgical benefits for all persons —already 13.7 million—receiving payments from the Social Security program. This group includes not just those men over 65 and women over 62 who are entitled to benefits, but also widows with children under 18, and totally disabled persons entitled to benefits and their beneficiaries.

To provide the benefits proposed to the limited group described would cost over $2 billion the first year and between $6 billion and $8 billion by 1980. It would mean that Social Security costs would increase by 26 per cent on a long term basis. Where Social Security will cost nearly 9 per cent of payroll by 1969, just as it now stands, the Forand Bill would bring the over-all cost of 11 per cent of taxable payroll.

What is more, (1) the Forand Bill, if enacted, is bound to be only a "first step" to an enormously expanded and still more expensive federal health care program, (2) invariably these publicly financed health care plans (*such as in England and Canada*) have cost far more than was estimated when they were proposed, (3) other expensive liberalizations of the Social Security program are in the offing, (4) the Social Security program as it now stands may be so badly underfinanced that major tax increases may be needed just to pay for benefits already promised.

Let us face up to another new fact of life that has overtaken us fairly recently. Where in the past our federal government had a large amount of leeway, through deficit spending and increased debt, to conduct a crash spending program in case of war or depression, the leeway is now gone. In view of our situation on federal borrowing difficulties, it is clear we are gambling there will be no international blow-up and no economic blow-up.

If we did have either, the money would have to come from practically confiscatory tax increases superimposed upon the wartime tax levels we have continued into peacetime.

Present-day taxpayers will find it ironic to be told that government financial leeway exists only in still higher federal taxes. But that is the sad fact. And even that weak reed, that inadequate leeway, is being weakened still further by rising Social Security tax rates. Social Security taxes must come out of the same pie (i.e., tax base) as taxes for missiles, federal debt services, highways, schools, city police, county jails, or whatever. For obviously 100 per cent of the public's earnings is the *whole* tax source pie: the complete, final, nonexpandable tax base, no matter what the tax or the tax purpose or the taxing entity is called. It doesn't help to say that Social Security taxes are "special purpose" or "not in the federal budget." Except for a special capital levy (an unthinkable device), all taxes, no matter what

(continued on page 142)

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The Weakness of Man: A Challenge to Liberty

By Hastings Lyon in the *Dictatorship of the Proletariat in the United States* (John Felsberg, Inc., 1943)

A man living in a political democracy must rely for his liberties (1) on a sense of fairness in his fellows and (2) on the structure of the society which the political authority maintains. Reliance on a will to be fair has two weaknesses: (1) men really believe that which is to their advantage is just; (2) a will to be just weakens rapidly before an opportunity to gain by injustice, especially with a conscience relieved by the approval of those associated in the unjust endeavor.

We can have no guarantee that the political forces will maintain a structure of society calculated to preserve us from oppression, but again must rely on a general sense that it is dangerous not to build and to preserve such a structure. If I join others in oppressing today, they may join in oppressing me tomorrow. Such a feeling may be sufficient to offset desire for an open road to immediate advantage. Bills of Rights are no more than a profession of such a hope.

I believe that a voluntary economy functioning by the principle of choice affords the soundest economic foundation for a political democracy, and that society should exert itself to suppress advantage seeking monopolistic endeavor from whatever source, capitalist or proletarian. It seems to me, however, that at the present moment the proletariat presents the more serious menace.

Postmaster General Day...

(continued from page 141)

they are called or where they are budgeted, have to come out of earnings of the public.

Many have a mistaken belief that Social Security is a savings plan, with the payroll taxes saved up to provide for the employee's future benefits. The fact is that Social Security is a pay as you go plan—or, more accurately, an *under* pay as you go plan.

We have graciously provided that employees of 1969 shall pay a 4½ per cent rate for the benefits for which employees of 1959 paid 2½ per cent (3 per cent beginning with 1960).

The Social Security Trust Fund is in fact only a contingency reserve. Some estimates, based on the existing program, say the Trust Fund will be used up entirely by the year 2000. But, big as the Trust Fund seems, it would have to be *three times* as big as it now is just to pay future benefits to the 13.7 million people *already* on the benefit rolls. And other tens of millions are qualified to become new recipients in the future.

Already we are postponing the evil day on paying for the present Social Security benefit structure. When it comes to the multibillion dollar addition to the structure proposed by the Forand Bill—we can't afford it!

Utah Indians Secede from US

By Congressman H. R. Gross

Another Revolution? In Utah, a small band of Ute Indians, dissatisfied with their treatment from Washington, have seceded from the Union, condemned the "puppet government" of the United States, and called on the United Nations for help.

We doubt there will be much help forthcoming from the UN. That polyglot organization has already had its experiences with foreign "scalping parties."

Schools in New York City Drop Student Loyalty Oath

(The following item is an extraction from a broadcast by R. K. Scott of America's Future.)

For the last 44 years every student graduating from a New York City high school has taken some form of what is now called a loyalty oath. Each year, for the last 27 years, this oath has read as follows: "I hereby declare my loyalty to the Constitution and the Government of the United States and the State of New York, and I promise to support their laws to the best of my ability." Can you possibly imagine why any young American worth his salt should refuse to take such an oath?

Thousands upon thousands of them each year have signed this simple and eloquent declaration. Of course, every once in a while a student objects on grounds of conscience or religion. Usually, in such cases, the school board makes an exception. Last June, out of thousands of graduates from the New York City high schools, there were five objections. So now the New York City Board of Education has dropped the written loyalty oath. But it did not stop there. It substituted another declaration which the student will say, instead of sign. The difference between formally saying a thing and writing it can only be explained by the bureaucratic mind. The new declaration, instead of the 33 simple words of the original oath, has 177 words. It is here that we see perfectly well-intentioned people do the Communists' work for them.

A major tenet of Communist tactics is to break down loyalty to one's own country and its traditions; to instill in your minds—particularly your children's minds—that you owe everything not to God, parents, home or church, but to some nebulous governmental power. Only in this way can a mind be conditioned to accept the all-powerful government tyranny which is essential to communism's success.

The new declaration is full of beautiful words about our "democratic heritage," about "compassion," about lessons of "spiritual, cultural and material contributions." And where must the students declare they learned all this? Why, in the public schools of course. There is not a word to indicate that perhaps their parents or their church or synagogue, or anybody else had anything to do with it—only by implication, the Board of Superintendents who run the schools. And nowhere in those 177 words dreamed up by the school bureaucrats does the word "loyalty" appear.

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Requiem for a Priest

From the Washington Evening Star

Throughout the world, in places as far apart as Peiping, Moscow and New York, the Communists and their fellow travelers—together with just plain, simple-minded dupes—have wept and wailed synthetically in a screaming riotous lament over the death of pro-Soviet Patrice Lumumba. But by way of contrast—a contrast further exposing their clamorous bereavement as something carefully staged to serve the cause of Red totalitarianism in the Congo and Africa as a whole—these very same people have shed not a tear for Father Renato Devos. Nor have they voiced a single word either regretting or deploring the fate that has befallen him.

After all, who has ever heard of this servant of God, and why should a good atheistic Marxist give him a second thought? Well, for those who may have missed the story in the rush of news, it should be reported that Father Devos has been murdered in the Congo, and in a most vile way. Wholly innocent of any conceivable connection with the Lumumba slaying, he has been sacrificed to the mob spirit of blindly unreasoning Lumumbists incited to violence by the Kremlin's venomous propaganda. Thus, while walking unoffendingly and defenselessly along a street in a town called Bukavu, he has been done to death with unspeakable savagery—first beaten unmercifully, then his ears cut off, and finally, in a kind of corporal work of mercy, beheaded. Yet no voice has been raised behind the Iron Curtain to protest against this atrocity, and no one has organized mobs to mourn the cruel passing of the man.

In that sense, unlike Patrice Lumumba, Father Devos, with news reports barely identifying him and devoting only a few lines to his story, seems to be little more than a cipher in the history of our times. Yet, forgotten as he and his name may be, he is in a peculiar way a key part of that history. And surely there are some among his fellow men who must remember him, and pray for him, and weep silently for him, and cry to heaven for an end to such evil as has snuffed out his good life so atrociously.

Reds Infiltrate Churches

By the Rev. Dr. James W. Fifield, Jr.
First Congregational Church of Los Angeles

Not only government, education, industry, entertainment, the press, but even the church—they are all heavily infiltrated if not actually dominated by the pagan Communist line.

Church groups sponsor movies with a propaganda plot written by convicted Communists, using actors who also were convicted. One would think TV station owners would terminate the collectivist slant and many responsible newspapers would do likewise. At least one would suppose that ministers would not be dupes and stooges as they have been and are.

Sometimes it seems only the Communists really know where they are going. Statistics on their progress give every believer in God serious thoughts. Los Angeles is becoming one of the worst centers from this angle in America.

Impertinent Legislation

Impertinence of public servants reached a new high in the State of Washington. A bill was introduced in the Washington Legislature to prohibit service station operators from exhibiting signs showing how much gasoline tax motorists have to pay.

A Tax-Saving Idea

From the Los Angeles Herald Express

Our thanks to two high officials of the California state government who do not speak in the manner of publicity-seeking politicians who mouth thrift phrases only for votes.

One is A. Alan Post, legislative analyst, and the other is Finance Director John E. Carr. Both have frequently warned against state spending and have recommended tax-saving measures.

Post has now come forth with the suggestion that holidays for state employes be reduced from the present 11 holidays to the seven which private industry employes receive. He makes this recommendation with the statement that he as a state employe does not deserve such a large number of holidays.

Post says the reduction would save $9,000,000 a year.

Carr aroused opposition with the State Employes Association when he recommended that much of the state's work could be done at great savings by farming it out to private interests.

This cutting of tax-spending for public employes is naturally hotly opposed by the employes, but the people of California who must raise the tax money will reply with a hearty: "Thank you!"

Youth and Conservatism

By John Temple Graves

For a piece called "The Explosive Generation," picturing the country's young people as still conventionally capital "L" Liberal and growing more so, *Look* Magazine is romped on by Miss Ada Lenander, of Paterson, N. J. "I am appalled at your conclusions as to the political nature of our country's young people," she writes the magazine. "For one thing, you entirely ignored the rising conservative movement among college students. It is a young movement to be sure, but not too young for you to be aware of it . . . We are not the leftist welfarists of yesterday's generation, and the outworn slogans of 30 years ago don't appeal to us . . . ."

Progress isn't just more and more of the same thing. It is a circle, an upward spiral, swinging from accent on well-being to accent on liberty and the human spirit, with ever more of each. And in the center a core of eternal truth.

Those who think it a straight line get lost at last on a pale tangent, if you remember your geometry.

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